

DEPARTMENT OF
ECOLOGY
State of Washington

Water Quality Combined Funding Program (WQC) State Fiscal Year 2023 (SFY23) Applicant Workshops

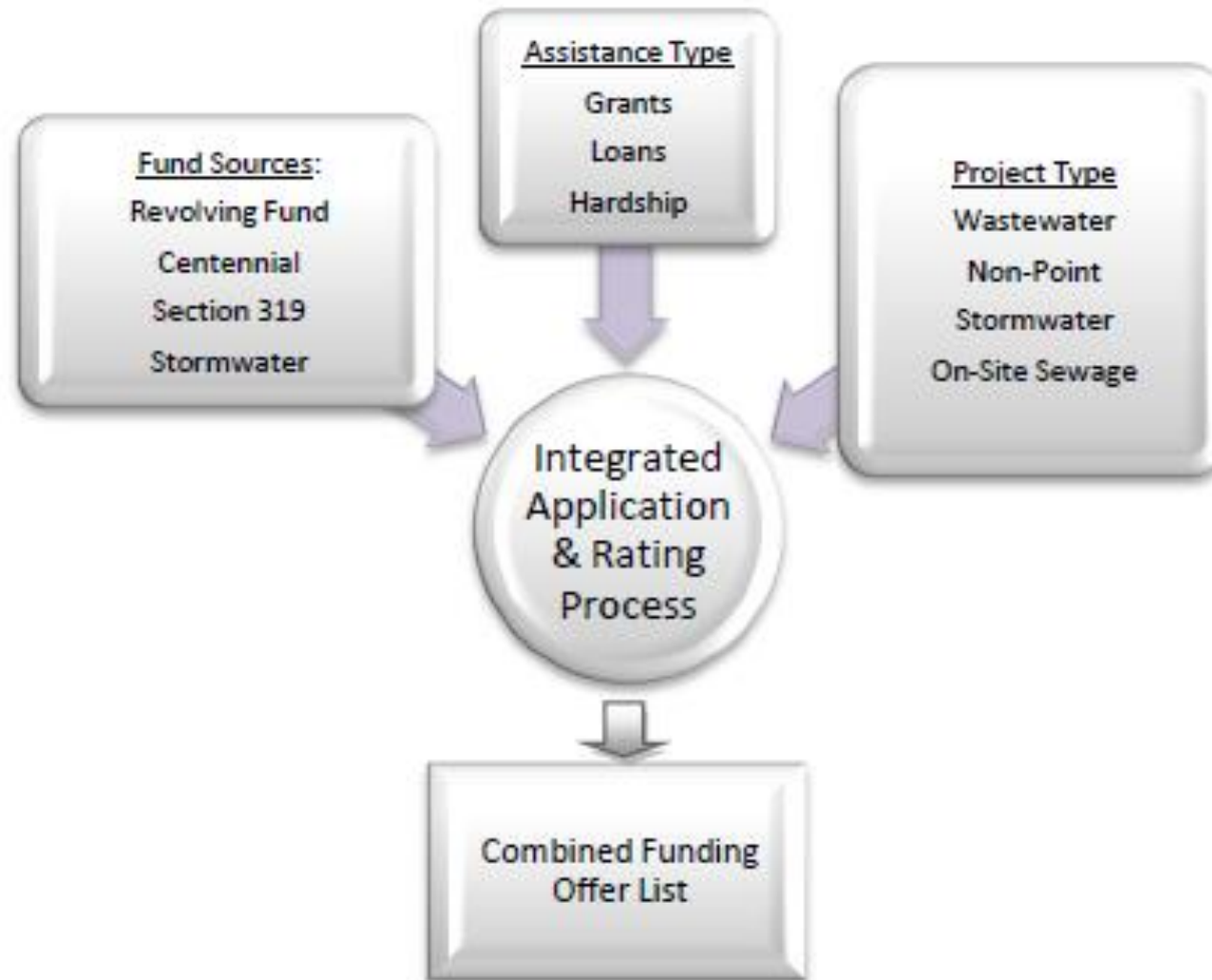
Contact Information

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Today's Agenda

- **~9:00 Water Quality Combined Funding Program (WQC) Overview**
 - Funding Sources
 - Eligible Applicants and Projects
 - Funding Available
- **~9:30 Ecology Administration of Grants and Loans (EAGL) Overview**
 - Registering and Applying Through EAGL
 - Managing Roles
 - Mapping Information Form
- **~10:00 Break**
- **~10:15 Applying for Funding**
 - Summary of Possible Funding Sources, Eligible Applicants and Projects, and Funding Available
 - How to use the Funding Guidelines and Overview of SFY23 Updates
 - Writing a Successful Application, With Question by Question Guidance
- **~12:00 Done**

WQC Funding Program



WQC Funding Sources

Clean Water State Revolving Fund	CWSRF	Loans
Stormwater Financial Assistance Program	SFAP	Grants
Centennial Clean Water Program	Centennial	Grants
Clean Water Act Section 319 Program	Section 319	Grants

CWSRF

- Low interest rate loan program
- Funded through:
 - Federal grant
 - 20% state match
 - Repaid principal and interest
- Funds wastewater, stormwater, nonpoint, and onsite sewage systems projects
- Eligible applicants:
 - Public bodies



SFAP

- Grant program
- Funded from state source
- Funds stormwater projects
- Eligible applicants:
 - Cities, counties, port districts



Centennial

- Grant program
- Funded from state sources
- Funds wastewater construction hardship and nonpoint source pollution control projects
- Eligible applicants:
 - Public bodies



Section 319

- Grant program
- Funded through:
 - Federal grant
 - 40% state match
- Funds nonpoint source pollution control projects
- Eligible applicants:
 - Public bodies
 - Nonprofits



Who is Eligible to Apply?

- Local governments
- Federally recognized tribes
- Special purpose districts
- Nonprofits
 - Section 319 only

Categories of Eligible Projects

- **Wastewater facilities**
- **Stormwater facilities**
- **Stormwater activities**
- **Onsite sewage systems**
- **Nonpoint source activities**

Wastewater Facilities

■ Eligible for CWSRF and Centennial (hardship-only)

■ Examples:

➤ Preconstruction such as planning and design

➤ Construction

- Upgrades, expansion, new
- Collection sewers and pump stations
- Infiltration and inflow (I&I) correction
- Combined sewer overflow (CSO) abatement
- Large onsite sewage systems (LOSS)
- Reclaimed water facilities

➤ Land acquisition to site a facility or for land treatment



Wastewater Construction Hardship Criteria

■ For wastewater construction in smaller, financially challenged communities

■ Criteria:

- $\leq 25,000$ people
- Sewer fee for existing residential ratepayers $\geq 2\%$ of median household income (MHI) without subsidy



Wastewater Construction Hardship Basis

■ Basis of construction hardship

- Current costs for system + project costs
- Examine the impact on sewer fee for existing residential ratepayers
 - Assumes no growth
 - Assumes all Ecology funding requested is covered with a standard, 30-year loan



Wastewater Construction Hardship Subsidy

■ Subsidy options:

- Centennial grant
- Forgivable loan
- Further reduced interest rates—potentially 0%

■ Subsidy is only for existing residential need

- Not for growth
- Not for commercial customers

■ Limit of \$5,000,000 grant/forgivable loan per project

Stormwater Facilities

■ Eligible for CWSRF and SFAP

■ Examples:

- Planning, design, and construction of facilities to treat water from existing hard surfaces—Retrofit
- Planning, design, and construction of facilities to treat water from new development or redevelopment

- CWSRF-only



Preconstruction



■ Examples:

- Feasibility studies
- Comprehensive sewer/stormwater planning
- Site-specific facility planning
- Value planning
- Environmental review
- Value engineering
- Pre-design reports and design plans and specs

■ CWSRF set-aside and potential subsidy

■ Criteria for hardship:

- $\leq 25,000$ population
- Median household income (MHI) $\leq 80\%$ state MHI

■ Hardship subsidy:

- 50% forgivable loan

Stormwater Activities

■ Eligible for CWSRF, SFAP, and Centennial (very limited)

■ Examples:

- Legacy pollutant source identification, tracing, and removal
- Development of new source control programs
 - Local business inspections
 - Privately-owned stormwater inspections
- Enhanced maintenance programs
 - High efficiency vacuum sweepers with a plan
- Outreach and education
 - Fundable by CWSRF whether required by permit or not
 - Fundable by Centennial only if not required by permit



SFAP Hardship

■ Criteria:

- Population $\leq 25,000$
- MHI $\leq 80\%$ state MHI

■ Subsidy:

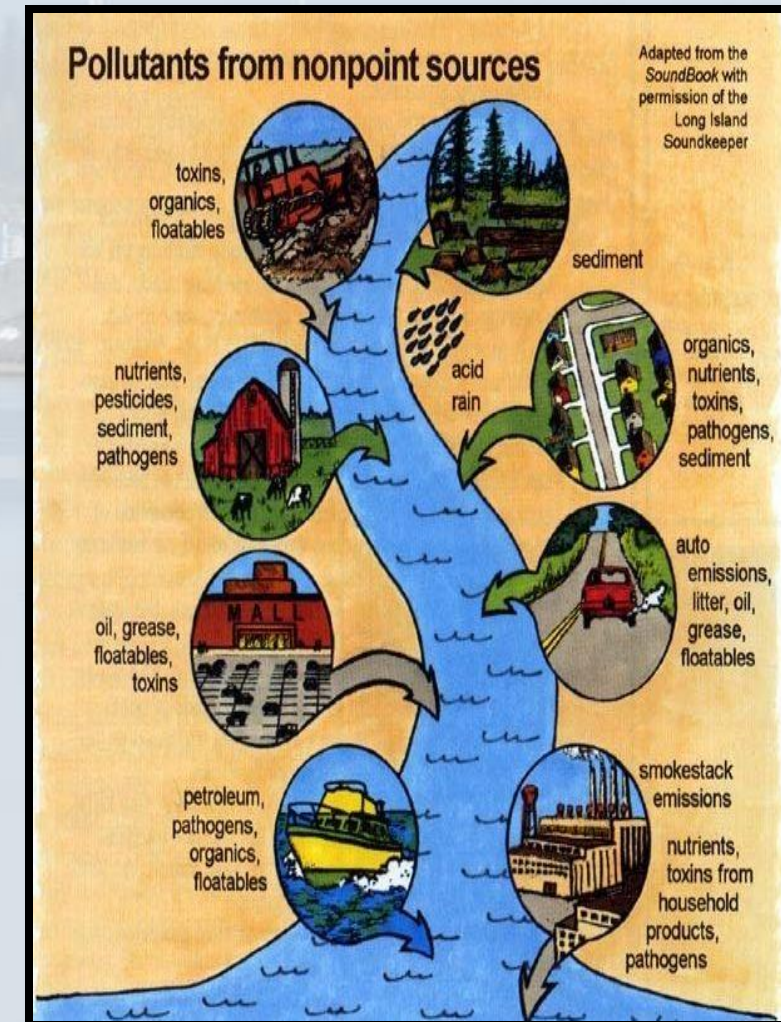
- Match reduced from 25% to 15%

Nonpoint Source Activities—1st Slide

■ Eligible for CWSRF, Centennial, and Section 319

■ Examples:

- Public outreach and education
- Implementation of approved best management practices (BMPs)
- Riparian areas and wetlands restoration
- Total Maximum Daily Load (TMDL) support



Nonpoint Source Activities—2nd Slide

■ Examples—continued:

- Groundwater, aquifer, wellhead protection
- Water quality monitoring
- Land acquisition for:
 - Wetland habitat protection
 - Riparian area and watershed protection
 - Drinking water source protection

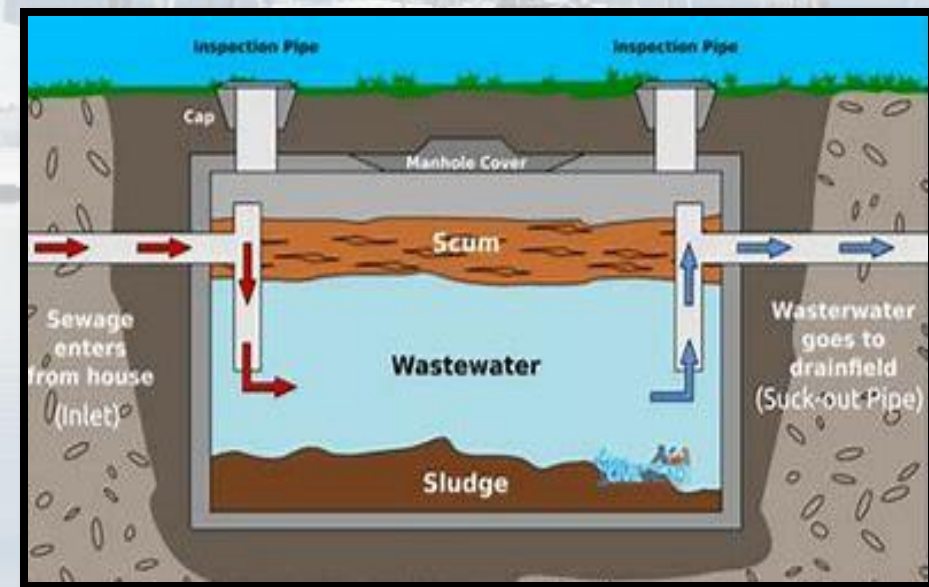


Onsite Sewage Systems (OSS)

■ Eligible for CWSRF and Centennial

■ Examples:

- Surveys
- Public education and outreach
- Regional Loan Program (RLP)
- **New** in SFY23: Composting Toilets
 - Must have a clear water quality benefit
 - Must meet Department of Health standards
 - Must include a maintenance plan



Green Project Reserve (GPR)

- EPA requires 10% of the federal grant for CWSRF be directed to GPR projects
- Must be willing to accept a CWSRF loan, and meet EPA's criteria for:
 - Green Infrastructure
 - Energy Efficiency
 - Water Efficiency
 - Environmentally Innovative
- May receive 25% forgivable loan



Ineligible Projects

- Non clean water projects (e.g., roads, bridges, drinking water systems)
- Exclusively industrial projects, except:
 - Publicly-owned industrial wastewater treatment facility reducing the burden on a municipal wastewater treatment facility (CWSRF-only)
 - Publicly-owned industrial stormwater facility (SFAP-only)
- Water quantity
- Project solely for flood control
- Operation, maintenance, and repair costs

SFY23 Estimated Funding

CWSRF	\$220,000,000
SFAP	\$35,000,000
Centennial	\$19,000,000
Section 319	\$1,500,000

SFY23 Estimated Set-asides and Maximums

	Set-Asides	Maximums
CWSRF		
Facility Construction	\$165,000,000	\$40,000,000/applicant
Facility Preconstruction	\$11,000,000	\$2,200,000/applicant
Nonpoint Source Activity	\$44,000,000	\$22,000,000/applicant
Forgivable Loans	\$2,763,100	N/A
Green Project Reserve	\$2,763,100	N/A
SFAP		
Stormwater	\$35,000,000	\$5,000,000/applicant
Centennial		
Wastewater Facility Hardship	\$6,333,333	\$5,000,000/project
Nonpoint Source Activity	\$6,333,333	\$500,000/project if cash match; \$250,000 otherwise
Competitive	\$6,333,333	Depends on project category
Section 319		
Nonpoint Source Activity	\$1,500,000	\$500,000/project if cash match; \$250,000 otherwise

Match Requirements

CWSRF—Any project	none
SFAP Grants—Non-hardship	25%
SFAP Grants—Hardship	15%
Centennial—Nonpoint or Stormwater	25%
Centennial—OSS Regional Loan Program	100%
Centennial—Wastewater construction hardship	none
Section 319—Any project	25%

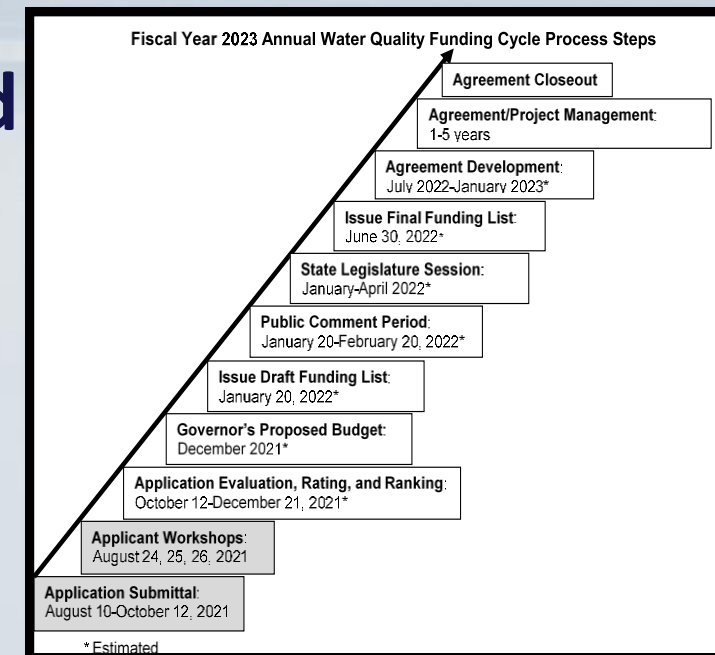
SFY23 CWSRF Standard Interest Rates

- Based on market rate (MR) for tax exempt municipal bonds

Wastewater, Stormwater, OSS Projects:	5 year = 0.5% (30% of MR)
	20 year = 1.1% (60% of MR)
	30 year = 1.4% (80% of MR)
Nonpoint Projects:	5 year = 0.4% (20% of MR)
	20 year = 0.7% (40% of MR)
	30 year = 1.1% (60% of MR)

SFY23 Funding Cycle Key Dates

- August 10, 2021: application opened
- October 12, 2021: applications due—by 5:00pm
- January 20, 2022 : Draft Funding List published
- April 2022: Supplemental Budget
- June 30, 2022: Final Funding List published
- January 31, 2023: agreements signed
- April 30, 2023: work underway
- June 30, 2025: activity projects completed
- June 30, 2027: facility projects completed



Rating Criteria and Points

	Points Available	Points Required
Funding Request	0—15	---
Scope of Work - Additional Tasks	0—75	---
Task Costs/Budget	0—135	---
Project Team	0—65	---
Project Planning and Schedule	0—160	---
Water Quality and Public Health Improvements	0—500	250
Wastewater Construction Hardship	0 or 50	---
Total	0—1,000	600

For Additional Information

- <https://ecology.wa.gov/About-us/How-we-operate/Grants-loans/Find-a-grant-or-loan/Water-Quality-Combined-Funding-Program>
- <https://ecology.wa.gov/About-us/How-we-operate/Grants-loans/Find-a-grant-or-loan/Water-Quality-Combined-Funding-Program/WQC-funding-cycle>
- <https://ecology.wa.gov/About-us/How-we-operate/Grants-loans/Find-a-grant-or-loan/Water-Quality-grants-and-loans/General-resources>

Follow-up Questions

- **Nonpoint Projects, Section 319, Centennial**
 - **Eliza Keeley-Arnold:** Eliza.Keeley-Arnold@ecy.gov; 360-407-6509; 564-999-1269
- **Onsite Sewage Systems Projects, Regional Loan Program (RLP)**
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- **Stormwater Projects, SFAP**
 - **Jessica Schwing:** Jessica.Schwing@ecy.wa.gov; 360-407-6216; 564-999-1267
- **Wastewater Projects Engineering, CWSRF, GPR**
 - **David Dunn:** David.Dunn@ecy.wa.gov; 360-407-6503
- **Wastewater Projects, WQC, CWSRF, Hardship**
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